

December 13, 2011

**Statement Regarding Medicaid and Our State's Budget**

We, the undersigned groups, are writing today on behalf of the residents of our state who rely on Medicaid for their health care. We ask that funding for the identified \$139 million Medicaid shortfall be appropriated so there will be no loss or interruption in services for eligible persons, many of who are among the most vulnerable North Carolinians.

This past week, reports have surfaced that due to conflicting views of how to handle the shortfall in the state Medicaid program, optional services for Medicaid eligible individuals are at risk of being reduced or eliminated and Medicaid provider reimbursement rates may be slashed for both optional and mandatory Medicaid services. Either of these measures will result in decreased access to care for those who need help the most and may force many individuals into more expensive care options which the state has no choice but to pay.

Due to extensive media coverage the last few days about the struggles to address the Medicaid shortfall, the faces of some of those individuals who will be most impacted by program cuts have begun to surface. These vivid images do what words sometimes fail to do and that is to provide a clear reminder of why our state has a proud history of doing the right thing to help the least among us.

One of the things we have done right in North Carolina is to provide Medicaid services, including optional services such as dental care, physical therapy, mental health services, and in-home care to older adults and people with disabilities, and to ensure that doctors, hospitals, and other medical providers receive a reasonable reimbursement rate so they will continue to see persons on Medicaid. This course of action has helped to enhance the health and well being of Medicaid recipients as well as ensure we have a stable integrated health care delivery system. Cutting services will simply shift the costs to emergency rooms, jails, prisons, or homeless shelters which results in more costs than providing the needed services to people in the first place.

In addition to the impact on Medicaid recipients of not funding the shortfall, North Carolina stands to lose at least \$261 million in federal matching dollars. The combined loss of federal and state funding will result in the elimination of at least 6,500 jobs and \$297 million in labor income in our state. At a time when North Carolina already has one of the highest unemployment rates in the country, this reduction in jobs will be devastating to communities across the state.

In summary, it is imperative that the General Assembly provide funding to the Department of Health and Human Services to plug the \$139 million Medicaid shortfall. Medicaid recipients and those whose livelihood relies on Medicaid as a funding source are dependent on this being done immediately.

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## **Groups in support of this statement:**

AARP North Carolina

American Heart Association/American Stroke Association Mid-Atlantic Affiliate

American Cancer Society, South Atlantic Division, Inc.

Access Dental Care

Covenant with North Carolina's Children

Disability Rights North Carolina

Friends of Residents in Long Term Care

Hemophilia of North Carolina

LeadingAge North Carolina

NAMI North Carolina

National Association of Social Workers, NC Chapter

National Multiple Sclerosis Society

North Carolina Adult Day Services Association

North Carolina Adult Foster Care Association

North Carolina Association of Area Agencies on Aging

North Carolina Association on Aging

North Carolina Community Health Center Association

North Carolina Dental Society

North Carolina Justice Center

North Carolina Psychological Association

North Carolina Senior Tar Heel Legislature

Senior PharmAssist

The Carolinas Center for Hospice and End of Life Care

Triangle Older Women's League